

HOUSE BILL 844

Q3

4lr1454

By: **Delegates Summers and Cardin**

Introduced and read first time: February 5, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **County Income Tax – Maximum Rate for Individuals at Least 65 Years Old**

3 FOR the purpose of prohibiting counties from exceeding a certain income tax rate on
4 the Maryland taxable income of certain individuals who are at least a certain
5 age and whose income does not exceed a certain amount; repealing an obsolete
6 provision; and generally relating to the county income tax.

7 BY repealing and reenacting, with amendments,
8 Article – Tax – General
9 Section 10–106
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2013 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 10–106.

16 (a) (1) **[Each] EXCEPT AS PROVIDED IN PARAGRAPHS (5) AND (6) OF**
17 **THIS SUBSECTION, EACH** county shall set, by ordinance or resolution, a county
18 income tax equal to at least 1% but not more than **[the percentage] 3.2%** of an
19 individual's Maryland taxable income **[as follows:**

20 (i) 3.05% for a taxable year beginning after December 31, 1998
21 but before January 1, 2001;

22 (ii) 3.10% for a taxable year beginning after December 31, 2000
23 but before January 1, 2002; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) 3.20% for a taxable year beginning after December 31,
2 2001].

3 (2) A county income tax rate continues until the county changes the
4 rate by ordinance or resolution.

5 (3) (i) A county may not increase its county income tax rate above
6 2.6% until after the county has held a public hearing on the proposed act, ordinance,
7 or resolution to increase the rate.

8 (ii) The county shall publish at least once each week for 2
9 successive weeks in a newspaper of general circulation in the county:

10 1. notice of the public hearing; and

11 2. a fair summary of the proposed act, ordinance, or
12 resolution to increase the county income tax rate above 2.6%.

13 (4) Notwithstanding paragraph (1) or (2) of this subsection, in Howard
14 County, the county income tax rate may be changed only by ordinance and not by
15 resolution.

16 **(5) THE COUNTY INCOME TAX RATE IMPOSED MAY NOT EXCEED**
17 **THE RATE SPECIFIED IN PARAGRAPH (6) OF THIS SUBSECTION FOR THE**
18 **MARYLAND TAXABLE INCOME OF AN INDIVIDUAL:**

19 **(I) WHO IS AT LEAST 65 YEARS OLD ON THE LAST DAY OF**
20 **THE TAXABLE YEAR; AND**

21 **(II) WHOSE MARYLAND TAXABLE INCOME FOR THE**
22 **TAXABLE YEAR DOES NOT EXCEED \$75,000.**

23 **(6) FOR AN INDIVIDUAL MEETING THE QUALIFICATIONS OF**
24 **PARAGRAPH (5) OF THIS SUBSECTION, THE COUNTY INCOME TAX RATE IMPOSED**
25 **MAY NOT EXCEED THE PERCENTAGE OF THE INDIVIDUAL'S MARYLAND TAXABLE**
26 **INCOME AS FOLLOWS:**

27 **(I) 3.0% FOR A TAXABLE YEAR BEGINNING AFTER**
28 **DECEMBER 31, 2014, BUT BEFORE JANUARY 1, 2016;**

29 **(II) 2.8% FOR A TAXABLE YEAR BEGINNING AFTER**
30 **DECEMBER 31, 2015, BUT BEFORE JANUARY 1, 2017; AND**

1 **(III) 2.6% FOR A TAXABLE YEAR BEGINNING AFTER**
2 **DECEMBER 31, 2016.**

3 (b) If a county changes its county income tax rate, the county shall:

4 (1) increase or decrease the rate in increments of one one-hundredth
5 of a percentage point, effective on January 1 of the year that the county designates;
6 and

7 (2) give the Comptroller notice of the rate change and the effective
8 date of the rate change on or before July 1 prior to its effective date.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2014.